



**Billing Code: 8070-01-P**

## **FEDERAL HOUSING FINANCE AGENCY**

**[No. 2014-N-2]**

### **Proposed Collection; Comment Request**

**AGENCY:** Federal Housing Finance Agency.

**ACTION:** 60-day Notice of Submission of Information Collection for Approval from the Office of Management and Budget.

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**SUMMARY:** In accordance with the requirements of the Paperwork Reduction Act of 1995, the Federal Housing Finance Agency (FHFA) is seeking public comments concerning the currently-approved information collection “Monthly Survey of Rates and Terms on Conventional 1-Family Nonfarm Mortgage Loans,” which has been assigned control number 2590-0004 by the Office of Management and Budget (OMB). FHFA intends to submit the information collection to OMB for review and approval of a three-year extension of the control number, which is due to expire on March 31, 2014.

**DATES:** Interested persons may submit comments on or before [INSERT 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Submit comments to FHFA using any one of the following methods:

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the instructions for submitting comments. If you submit your comment to the **Federal eRulemaking Portal**, please also send it by **e-mail** to FHFA at [Regcomments@fhfa.gov](mailto:Regcomments@fhfa.gov) to ensure timely receipt by the agency.
- **E-mail:** [Regcomments@fhfa.gov](mailto:Regcomments@fhfa.gov). Please include Proposed Collection;

Comment Request: “Monthly Survey of Rates and Terms on Conventional 1-Family Nonfarm Mortgage Loans, (No. 2014-N-2)” in the subject line of the message.

- Mail/Hand Delivery: Federal Housing Finance Agency, Eighth Floor, 400 Seventh Street, SW., Washington, DC 20024, ATTENTION: Public Comments/ Proposed Collection; Comment Request: “Monthly Survey of Rates and Terms on Conventional 1-Family Nonfarm Mortgage Loans, (No. 2014-N-2).”

We will post all public comments we receive without change, including any personal information you provide, such as your name, address, email address, and telephone number, on the FHFA website at <http://www.fhfa.gov>. In addition, copies of all comments received will be available for examination by the public on business days between the hours of 10 a.m. and 3 p.m., at the Federal Housing Finance Agency, Eighth Floor, 400 Seventh Street, SW., Washington, DC 20024. To make an appointment to inspect comments, please call the Office of General Counsel at 202-649-3804.

**FOR FURTHER INFORMATION CONTACT:** David L. Roderer, Senior Financial Analyst, 202-649-3206 (not a toll-free number), [david.l.roderer@fhfa.gov](mailto:david.l.roderer@fhfa.gov), or by regular mail at the Federal Housing Finance Agency, 400 Seventh Street, SW., Washington, DC 20024. The telephone number for the Telecommunications Device for the Hearing Impaired is 800-877-8339.

**SUPPLEMENTARY INFORMATION:**

**A. Need For and Use of the Information Collection**

FHFA’s Monthly Survey of Rates and Terms on Conventional 1-Family Non-

Farm Mortgage Loans, commonly referred to as the “Monthly Interest Rate Survey” or “MIRS,” is a monthly survey of mortgage lenders that solicits information on the terms and conditions on all conventional, single-family, fully amortized, purchase-money mortgage loans closed during the last five working days of the preceding month. The MIRS collects monthly information on interest rates, loan terms, and house prices by property type (i.e., new or previously occupied), by loan type (i.e., fixed- or adjustable-rate), and by lender type (i.e., mortgage companies, savings associations, commercial banks, and savings banks), as well as information on 15-year and 30-year fixed-rate loans. In addition, the survey collects quarterly information on conventional loans by major metropolitan area and by Federal Home Loan Bank district. The MIRS does not collect information on loans insured by the Federal Housing Administration (FHA) or guaranteed by the Veterans Administration (VA), loans secured by multifamily property or manufactured housing, or loans created by refinancing another mortgage. The MIRS is the most comprehensive source of information on conventional mortgage rates and terms in the United States.

The MIRS originated with one of FHFA’s predecessor agencies, the former Federal Home Loan Bank Board (FHLBB) in the 1960s. Among other things, the FHLBB used data collected through the MIRS to derive its National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders (ARM Index), which was used by lenders to set mortgage rates on adjustable rate mortgages (ARMs). No statutory or regulatory provision explicitly required the FHLBB to conduct the MIRS. However, for a period in the early 1980s, federally chartered savings institutions were required to use the MIRS-derived ARM Index in setting interest

rates on ARMs. Few, if any, loans from that period remain. After 1981, an unknown but likely very small proportion of lenders used the ARM Index to set interest rates on their new ARMs.

In 1989, Congress enacted the Financial Institutions Reform Recovery and Enforcement Act (FIRREA), which abolished the FHLBB and created the Federal Housing Finance Board (Finance Board) to assume many of the FHLBB's powers and responsibilities. FIRREA required the Chairperson of the Finance Board to "take such actions as may be necessary" to ensure that the ARM Index prepared by the FHLBB continued to be available.<sup>1</sup> Although there was no explicit reference in FIRREA to the continuation of the MIRS, the Finance Board viewed that statutory requirement to continue to produce the ARM Index as a mandate to continue also to conduct the MIRS, from which the data used to derive the ARM Index was obtained. The Finance Board conducted the MIRS and produced the ARM Index from 1989 through 2008, when Congress abolished that agency and transferred its responsibilities to the newly-created FHFA.<sup>2</sup>

Since 2008, FHFA has continued to conduct the MIRS and produce the ARM Index.<sup>3</sup> By statute, MIRS data is one of the factors that FHFA is required to consider in assessing the national average one-family house price for purposes of periodically

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<sup>1</sup> See Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Public Law 101-73, Title IV, § 402(e)(3), 103 Stat. 183, codified at 12 U.S.C. 1437 note. The statute permitted the Finance Board to substitute a different ARM index after notice and comment, but only if the new index was based upon data substantially similar to that of the original ARM Index and substitution of the new ARM index would result in an interest rate substantially similar to the rate in effect at the time the new ARM index replaced the existing ARM Index. See FIRREA § 402(e)(4).

<sup>2</sup> See Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, Div. A, Title III, § 1312, 122 Stat. 2794, codified at 12 U.S.C. 4511 note.

<sup>3</sup> The MIRS and the ARM Index are described at 12 CFR 906.5.

adjusting the conforming mortgage loan limits of Fannie Mae and Freddie Mac.<sup>4</sup> In addition, statutes in several states and U.S. territories, including California, Michigan, Minnesota, New Jersey, Wisconsin, and the Virgin Islands, refer to, or rely upon, the MIRS.<sup>5</sup>

Many lenders use FHFA's ARM Index, derived from MIRS data, to set interest rates on fixed rate loans. In addition, businesses, trade associations, and government agencies at both the federal and state level rely upon the MIRS data for various business and regulatory purposes. For example, economic policy makers have used the MIRS data to determine trends in the mortgage markets, including interest rates, down payments, terms to maturity, terms on ARMs, and initial fees and charges on mortgage loans. Other federal banking agencies, such as the Board of Governors of the Federal Reserve System and the Council of Economic Advisors, have used the MIRS results for research purposes.

The OMB number for the information collection is 2590-0004, which is due to expire on March 31, 2014. The likely respondents are mortgage lenders in the United States.

## **B. Burden Estimate**

FHFA estimates the total annual number of respondents at 70 with 6 responses per respondent (because not every respondent will have new mortgage loans to report every month). The estimate for the average time per response is 20 minutes. The combined estimate for the total annual hour burden is 140 hours (70 respondents × 6

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<sup>4</sup> See 12 U.S.C. 4542.

<sup>5</sup> See, e.g., Cal. Civ. Code §§ 1916.7 and 1916.8 (mortgage rates); Mich. Comp. Laws § 445.1621(d) (mortgage index rates); Minn. Stat. § 92.06 (payments for state land sales); N.J. Rev. Stat. 17:27 (interest rates); Wis. Stat. § 138.056 (variable loan rates); V.I. Code Ann. tit. 11, § 951 (legal rate of interest).

responses × 0.33 hours).

### **C. Comment Request**

FHFA requests written comments on the following: (1) Whether the collection of information is necessary for the proper performance of FHFA functions, including whether the information has practical utility; (2) the accuracy of FHFA's estimates of the burdens of the collection of information; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Dated: January 23, 2014.

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Kevin Winkler, Chief Information Officer,  
Federal Housing Finance Agency.

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